

53.1 General Discussion

After substantial completion of the work, the agency shall diligently pursue contract completion. In cases where the contractor is not diligently pursuing completion, the agency shall impose liquidating damages penalties, completion of remaining work with local forces or unilateral closure and claims against the contractor.

After the construction phase of a non-NHS FHWA transportation project, done either by competitive bidding or by local agency forces, specific procedures are carried out to terminate the project's finances and review project performance. These procedures are necessary in order to settle any outstanding contract obligations, and to ensure that funds were expended properly.

Chapter 53 lists requirements for closing the project accounts at WSDOT and FHWA and discusses project management reviews and project audits.

Consistent with criteria established for FHWA oversight, the following chart establishes responsibilities for preparation of project closing documents and actions for FHWA (F), WSDOT (S), and Local CA agencies (L):

	Local CA Agency non-NHS	Local non-CA Agency non-NHS
Documents		
a. Completion Letter	L	S/L
b. Material Certification	L	S/L
c. List of Change Orders	L	S/L
d. WSDOT Final Accep. Date	L	S/L
e. Comparison of Quantities	L	S/L
f. DOT 140-500	S	S
Actions		
a. Nonpart. Approval	S	S
b. Advance FMIS Steps	F	F
c. Final Voucher	S/F	S/F

(FMIS = Federal Management Information Systems)

53.2 Closure

After the construction contract is complete, a 90-day project closure period begins. This closure period is initiated upon receipt of either a completion letter from the local agency or a final inspection of the project from the Region Local Programs Office. During this period, the local agency must complete the requirements described below.

No further payment will be made after the date indicated on the 90-day closure letter without the approval of the Assistant Secretary for Highways and Local Programs.

The local agency may request, however, that the 90-day closure period be extended. In this case, the local agency shall submit a written request to the Assistant Secretary for Highways and Local Programs justifying an extended closure period.

.21 Completion Letter. Within 15 calendar days of completion as defined in Division 1-99 of the Standard Specifications, the local agency shall submit a physical completion letter to the Region Local Programs Engineer.

.22 WSDOT Project Review. The Region Local Programs Engineer will conduct the final field inspection. It is suggested that the Region Local Programs Engineer be invited to the final project inspection with the contractor. If the final inspection reveals items that must be corrected or resolved before the project can be closed, these will be noted in the final inspection report. The Region Local Programs Engineer will work with the local agency to make the necessary corrections or to accomplish resolutions. If there is an unresolvable item indicating that a portion of project work is ineligible for FHWA reimbursement, WSDOT will issue a letter of notification outlining the ineligible work items and related costs.

.23 Final Billing. Within 90 calendar days of the completion date, the local agency shall submit the following documents to the Region Local Programs Engineer, clearly marked "Final Billing:"

- The local agency's final billing on Form PPC2.
- Written justification for billings exceeding the Local Agency Agreement amount. These require approval by the Assistant Secretary for Highways and Local Programs.

Upon receipt of the final billing, WSDOT will pay the federal share or bill the local agency as appropriate.

.24 Project Approval. The Assistant Secretary for Highways and Local Programs will inform the local agency when FHWA has approved the Final Voucher and will explain what records must be retained and for how long.

53.3 Project Management Review

In order to be reasonably certain that local agencies are administering FHWA funds in accordance with the *Local Agency Guidelines*, the Highways and Local Programs Operations Engineer will conduct project management reviews annually on selected local agency ad-and-award projects. These reviews will cover:

- General procedural compliance items noted in OMB Circular A-128.
- Procedures in the *Local Agency Guidelines*.

- Items of special interest developed from State Auditor's reports, recommendations from FHWA, and previous process reviews.
- Compliance with "Equal Employment Opportunity" and "Disadvantaged Business Enterprise" programs.

.31 Preparation. The Assistant Secretary for Highways and Local Programs, through the Region Local Programs Engineer, will schedule management reviews with the designated agencies and will request that the local agency managers participate. The local agency should have all pertinent documentation ready for the scheduled review. Typical procedural review questions are listed in Appendix 53.51. Typical documents to be examined during this review are also listed in Appendix 53.51. All deficiencies will be identified for the agency at the Project Management Review (PMR). Copies of documentation not available at the time of review shall be submitted through the Region Local Programs Engineer within 21 days. After the 21-day period, the final PMR letter will be sent to the agency.

.32 Deficiencies. If no major deficiencies are found in the local agency's project management methods, the local agency will be informed in writing of the review team's findings and recommendations.

If major deficiencies exist, the local agency will be asked to take corrective action within 60 days. If the deficiencies include ineligible work, WSDOT will issue a citation letter.

If deficiencies exist in the agency's procedures, management practices, or systems, or if specific project errors are found, WSDOT's administrative response might be one or more of the following:

- No action against the agency.
- Joint conference with the Local Agency, Region Local Programs Engineer, and the Assistant Secretary of Highways and Local Programs or his designee.
- Limit or withhold the agency's future Certification Acceptance authority (Chapter 13) to the extent deemed necessary:
 - a. Allow Certification on a project-by-project basis.
 - b. Direct WSDOT to assign a Project Engineer to each project for supervision, inspection, and administration.
 - c. Contract the supervision, inspection, and administration to a consulting firm.
 - d. Delay project authorization until adequate supervision, inspection, and administration is available from the local agency, WSDOT, or consultants.
- Establish a repayment plan when violations to procedures make certain expenditures ineligible for federal reimbursement. Per Section VII of the Local

Agency agreement, withholding of funds from the local agency's gasoline tax distribution may be necessary if a satisfactory repayment plan is not established within 45 days.

53.4 Financial and Compliance Audit

.41 By the State Auditor. The local agency is responsible for ensuring that an audit is performed in accordance with OMB Circular A-128. WSDOT is also responsible for ensuring that FHWA funds are properly expended. The State Auditor will therefore audit each local agency.

.42 By WSDOT. A project audit by WSDOT Auditors is triggered by deficiencies found during:

- a. A routine audit by the State Auditor, either on an FHWA project or on any other project where federal funds are involved.
- b. A project management review.

.43 Project Records. Project records shall be maintained in accordance with the terms of the Local Agency Agreement and shall be made available to the audit personnel upon request. It is helpful if field notes and other documentation are available in sufficient detail to facilitate the audit review.

.44 Audit Report. The state auditor will submit a formal audit report to the Assistant Secretary for Highways and Local Programs and to FHWA. If findings on a particular audit arise, Highways and Local Programs will contact the agency to confirm the findings and coordinate resolution with the agency and Highways and Local Programs. Audit findings must be resolved within six months of the date that the audit report is issued. Audits will normally include the following categories:

- Interagency Agreements
- Land Development or Land Acquisition Projects
- Tier Contracting Procedures
- Fund Management — Transactions
- Accounting Methods — Cash or Accrual
- DBE-EEO Practices
- Use of Grant Acquired Equipment

53.5 Appendixes

[53.51 Local Agency Documentation Review Checklist](#)

[53.52 Final Inspection of Federal Aid Project](#)

[53.53 Quarterly Report of Amounts credited as DBE Participation](#)

Appendix 53.51

Local Agency Documentation Review Checklist

Agency: _____ Date: _____
Project Title: _____
Federal Aid Project No.: _____ Contract No.: _____
Reviewers: _____

LAG Ref.

13 Table of Organization and CA Agreement Review:

<u>Action</u>	<u>Approving Authority</u>
Design Approval	_____
PS&E Approval	_____
Tied Bids	_____
Contract Award	_____
Change Orders	_____

Preliminary Engineering:

43.1 Design Approved By: _____ Date: _____
44.1 PS&E Approved By: _____ Date: _____
44.22 Agency Supplied Materials Approved By: _____
44.22 Sole Source Items? Yes _____ No _____
If Yes, FHWA Approval Date: _____
52 Changes in Scope, Limits, Character, Cost? Yes _____ No _____
If Yes, FHWA Approval Date: _____
44.22 Tied Bids Approved By: _____ Date: _____

Advertising and Award:

46.21 FHWA Construction Authorization Date: _____
46.24 Advertising Dates: _____
46.24 Three Week Advertising Period? Yes _____ No _____
46 Affidavits of Publication in File? Yes _____ No _____
46.25 Bid Opening Date: _____
46.27 Award Date: _____
46.26 Award to Lowest Bidder? Yes _____ No _____
If Not, Explain: _____
46.28 Contract Execution Date: _____
46.28 Contract Award Amount: _____
46.3 Award Information Transmitted to WSDOT? Yes _____ No _____
52 First Working Day: _____ No. of Working Days: _____
No. of Working Days Complete: _____
52.2 Preconstruction Conference Minutes Review:
Comments: _____

Minutes Sent To: Region Local Programs Engineer? Yes _____ No _____
Contractor? Yes _____ No _____
All Invitees? Yes _____ No _____

44.78	Environmental and Permit Conditions Met	Yes _____	No _____
65.2	Met with Maintenance and Corrected Problems Identified in PS&E	Yes _____	No _____
25	Right-of-Way		
	Right-of-Way Commitments to Landowner Met	Yes _____	No _____
	Right-of-Way Acquired	Yes _____	No _____
	Right-of-Way Acquisition Procedures Dated: _____		
	Listing of Right-of-Way Staff Current	Yes _____	No _____
	(If No, attach new listing with individual staff qualifications)		
	Comments: _____		

46.27 Construction Contract Administration:

[illegible]

Allowable = (Contract Amount Specialty Items) 0.70 = _____

[illegible]

**LAG
Ref.**

52.51 Claims by Contractor? Yes _____ No _____
 Comments: _____

52 & 53 Project Diaries and Inspector's Daily Reports Signed and Up to Date? Yes _____ No _____

Payrolls:

Wage Rates Included in Contract? Yes _____ No _____
 Payrolls on File? Yes _____ No _____
 Certified by Contractor? Yes _____ No _____
 Checked and Initialed by Agency? Yes _____ No _____

<u>Prime/Subs</u>	<u>Wage Rate Interview</u>	<u>Intent to Pay Wages</u>	<u>Affidavit Wages Paid</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Standard Any L&I Violations on Contract? Yes _____ No _____
 Specification If Yes, How Resolved? _____

27 EEO Compliance:

PE Right-of-Way Yes _____ No _____
 Consultant Yes _____ No _____
 Hearings (Title VI) Yes _____ No _____
 Monthly Employment Utilization Reports (820-010) on File
 for Prime and Subs (Greater Than \$100,000) Yes _____ No _____
 PR-1391 on File and Sent to Region Local Programs? Yes _____ No _____

Comments: _____

Training:

Training Goal Set? Yes _____ No _____ Hours _____
 Training Plan Approved by Agency? Yes _____ No _____
 Training Goal Met? Yes _____ No _____ Hours _____

Comments: _____

26 DBE Compliance:

26.2 DBE Goal Set: \$_____

26.2 DBE Condition of Award Amount: \$_____

26.2 How Was DBE Certification Verified Prior to Award? _____

26.2 DBE On-Site Review Conducted for Each Sub? Yes _____ No _____

52.5 Change Orders Affects on DBEs: Yes _____ No _____

52.5 Additional Work Provided to DBEs? Yes _____ No _____

52.5 Any Changes to DBE Goals? Yes _____ No _____

26.2 Approved by Region Local Programs Engineer? Yes _____ No _____

53.53 Quarterly Report of Amounts Credited as DBE Participation
 Sent to Region Local Programs Engineer? Yes _____ No _____

Bridge Construction Projects:

Bridge Rail Crash Tested Design Used? Yes _____ No _____
(New Construction Only, Any Funding Program)

Contract Completion:

52.81 Completion Date: _____
52.81 Completion Letter to Contractor Date: _____
52.83 End of Project Materials Certification From Project Engineer to Approving Authority Date: _____



**Washington State
Department of Transportation**

**Final Inspection of
Federal Aid Project**
Constructed Under 23 U.S.C. 117

Project Title						
Federal Aid Number		Contract Number		Agency		
Description of Work						
Contractor			Contract Award Amount \$	Final Contract Cost (Do not include Construction Engineering) \$		
% Sublet	Training Contract Hours	Total Hours Paid	DBE Contract Goal \$	DBE Condition of Award Amt. \$	DBE Affidavit of Amt. Paid \$	
Date of Inspection		Inspection Made By				
Accompanied By						
Remarks						
Comments Marking and signing in conformance with contract plans? _____ Roadside Obstacles? _____ Materials certified by agency? _____ Claims? _____ Change Orders? _____ Completed in accordance with specified working days? _____ Other? _____						
<input type="checkbox"/> This project has been completed in substantial conformance with the project prospectus and contract plans. <input type="checkbox"/> This project has the following deficiencies which must be corrected prior to final acceptance: 						
Signature of Highways and Local Programs Engineer				Date		

DOT Form 140-500 EF
Revised 4/2000



**Washington State
Department of Transportation**

Quarterly Report of Amounts Credited as DBE Participation

Quarter (1st, 2nd, 3rd, 4th) or Final _____ of Year _____		State Contract Number Federal Employer I.D. Number	
Contractor			
DBE Participant Name and Federal Employer I.D. Number	Contract Type	Date of Payment	*Dollar Credit Amount
Contract Type: S = Subcontractor A = Agent M = Manufacturer R = Regular Dealer J = Joint Venture V = Service Provider			
I, the undersigned, do hereby certify that in connection with all work on the project for which this statement is submitted, each DBE participant contracted by me has been paid on the dates shown. *Further, I certify that the amounts shown under "Dollar Credit Amount" are in accordance with the " DBE Eligibility " portion of the DBE Special Provision.			
Signature _____		Title _____	

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